

Message Text

CONFIDENTIAL

PAGE 01 HONG K 03976 150255Z

70

ACTION EA-10

INFO OCT-01 ISO-00 PM-03 NSC-05 SP-02 SS-15 CIAE-00 INR-07

NSAE-00 EB-07 DODE-00 SAM-01 IO-10 SAJ-01 PRS-01 L-02

CU-02 /067 W

----- 009043

R 150121Z APR 75

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 4574

INFO AMEMBASSY TAIPEI

AMEMBASSY TOKYO

USLO PEKING

CINCPAC HONOLULU HI

C O N F I D E N T I A L HONG KONG 3976

CINCPAC FOR POALD

E.O. 11652: GDS

TAGS: ECON PINT ELAB CH

SUBJ: SHANGHAI VICE CHAIRMAN DEFENDS WAGES AND WAGE DIFFERENTIALS

REF: HONG KONG 3508

SUMMARY: A VICE CHAIRMAN OF THE SHANGHAI REVOLUTIONARY COMMITTEE RECENTLY TOLD VISITING BRITISH OFFICIALS THAT HE EXPECTED "BOURGEOIS RIGHTS" TO CONTINUE FOR A LONG TIME. HE ALSO DEFENDED WAGES AND WAGE DIFFERENTIALS AS HAVING A USEFUL FUNCTION. THIS OCCURED A WEEK BEFORE VICE PREMIER CHANG CHUN-CHIAO'S ARTICLE APPEARED (HK -3508), WHICH SUGGESTS THAT HIGH SHANGHAI CADRE EITHER WERE AWARE OF THE POINTS CHANG WOULD MAKE PRIOR TO THE PUBLISHING OF HIS ARTICLE OR ELSE HAD ALREADY REACHED SIMILAR CONCLUSIONS THEMSELVES. IN EITHER CASE, THE REMARKS FURTHER CONFIRM MEDIA EVIDENCE THAT THE CAMPAIGN IS NOW DIRECTED AGAINST ABUSES OF THE EXISTING SYSTEMS RATHER THAN THE SYSTEMS THEMSELVES.END SUMMARY

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 HONG K 03976 150255Z

1.A GROUP OF BRITISH OFFICIALS VISITNG SHANGHAI IN

CONNECTION WITH THE BRITISH TRADE EXHIBITION THERE MET WITH FENG KUO-CHU, A VICE CHAIRMAN OF THE SHANGHAI MUNICIPAL REVOLUTIONARY COMMITTEE DURING THE LAST FULL WEEK OF MARCH. IN DISCUSSING BOURGEOIS RIGHTS AND THE DICTATORSHIP OF THE PROLETARIAT, FENG CLEARLY STATED THAT THE WAGE SYSTEM AND WAGE DIFFERENTIALS WERE VIEWED AS HAVING A FUNCTION, ONE THAT WAS IMPORTANT ENOUGH SO THAT THEY WOULD NOT BE ELIMINATED SOON. TO ELIMINATE THEM (RATHER THAN RESTRAIN ABUSES OF THEM) WOULD, HE SAID REQUIRE A MUCH HIGHER LEVEL OF CONSCIOUSNESS AMONG WORKERS AND PEASANTS, ESPECIALLY THE LATTER. IT WOULD ALSO BE NECESSARY FIRST TO ATTAIN A HIGHER STANDARD OF LIVING, HE NOTED.

2. FENG'S REMARKS ARE INTERESTING BECAUSE THEY ANTEDATE BY ALMOST A WEEK THE PUBLICATION OF CHANG CHUN-CHIAO'S ARTICLE MAKING SIMILAR POINTS. (IT APPEARED IN RED FLAG NO. 4 AND IN PEOPLE'S DAILY ON APRIL 1). THE TIMING OF FENG'S REMARKS SUGGEST THAT SHANGHAI CADRE WERE EITHER AWARE OF THE CONTENTS OF CHANG'S ARTICLE PRIOR TO ITS PUBLICATION OR ELSE HAD THEMSELVES INDEPENDENTLY COME TO SIMILAR CONCLUSIONS ABOUT THE CAMPAIGN AND ITS DIRECTION. FENG'S VIEWS ALSO STAND IN SOME CONTRAST WITH THOSE EXPRESSED TO A CONGEN OFF BY LOWER LEVEL CADRE IN SHANGHAI IN MID-FEBRUARY.

3. A TCHIA-TING COUNTY'S MALU COMMUNE (THE SAME ONE VISITED BY THE BRITISH GROUP), A LEADING MEMBER OF THE REVOLUTIONARY COMMITTEE TOLD CONGENOFF IN MID-FEBRUARY THAT THE DIFFERENCE BETWEEN THE EARNINGS OF A WORKER IN A COMMUNE-RUN FACTORY AND THOSE OF A FIELD HAND WERE CAUSING PROBLEMS. THE 5 TO 10 PERCENT DIFFERENTIAL MEANT THAT MANY PARENTS SOUGHT TO HAVE THEIR CHILDREN GET FACTORY JOBS, AND ONCE HAVING GOTTEN ONE, THE YOUNG PEOPLE WERE MOST RELUCTANT TO DO FARM WORK EXCEPT, PERHAPS, FOR A BRIEF STING DURING THE BUSY HARVEST/SOWING SEASONS. ASKED HOW HE THOUGHT THE PROBLEM SHOULD BE SOLVED, THE LEADING MEMBER SAID THAT THE WAGE DIFFERENCE WOULD HAVE TO BE REDUCED, AND THE IMPLICATION CLEARLY WAS THAT IT WAS FACTORY WAGES THAT WOULD BE THE ONES TO BE CUT. CONFIDENTIAL

CONFIDENTIAL

PAGE 03 HONG K 03976 150255Z

4. IN RESPONSE TO CONGENOFF'S EARLIER REQUEST, THE CHINA TRAVEL SERVICE GUIDE PROVIDED AN NCNA ENGLISH TRANSLATION OF LIANG HSIAO'S FEBRUARY 10 PEOPLE'S DAILY ARTICLE. IN THE COURSE OF A FIFTEEN MINUTE DISCUSSION, THE GUIDE ALSO DESCRIBED HIS UNDERSTANDING OF THE PD EDITORIAL AND ARTICLES. HE DESCRIBED BOURGEOISE RIGHTS AS VESTIGES OF THE OLD SOCIETY THAT NEEDED TO BE ELIMINATED. IN ADDITION TO THE THREE

DIFFERENCES (BETWEEN WORKERS AND PEASANTS, TOWN AND COUNTRYSIDE, AND MANUAL AND MENTAL LABOR), HE SPOKE OF THE EIGHT-GRADE WAGE SYSTEM, COMMODITY PRODUCTION, AND EXCHANGE FOR MONEY. WHILE ADMITTING THAT IT WOULD TAKE A LONG TIME TO ELIMINATE THESE REMANTS, HE UNDERLINED THE POINT THAT PROGRESS IN THIS DIRECTION NEEDED TO BE MADE BECAUSE THE EXISTING SITUATION WAS NOT ENTIRELY SATISFACTORY AND COULD BREED CAPITALISM AGAIN.

5. THE DIFFERENCE BETWEEN THESE VIEWS SUGGEST THAT THE TYPE OF INTERPRETATION--- OR MISINTERPRETATION-- AT LEAST SOME CADRE WERE GIVING TO THE EDITORIAL AND EARLY ARTICLES PRESENTED PROBLEMS. PRESUMABLY, RESTATEMENT AND CLARIFICATION OF THE LINE IN THE YAO AND CHANG ARTICLES--- PERHAPS PARTICULARLY THE LATTER,--- HAS HELPED TO COUNTER AND CORRECT SUCH PROBLEMS.
CROSS

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COMMUNISM, WAGES, SPEECHES, POLITICAL LEADERS
Control Number: n/a
Copy: SINGLE
Draft Date: 15 APR 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975HONGK03976
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750130-0528
From: HONG KONG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750449/aaaabtkc.tel
Line Count: 132
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 75 HONG KONG 3508
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 09 JUL 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 JUL 2003 by ElyME>; APPROVED <10 JUL 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SHANGHAI VICE CHAIRMAN DEFENDS WAGES AND WAGE DIFFERENTIALS
TAGS: ECON, PINT, ELAB, CH, (CHANG CHUM-CHIAO)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006